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NEA FOR FRONT OFFICE AND IPA, NSC FOR SHAPIRO/PASCUAL, TREASURY FOR PARODI/VINOGRAD/VELTRI

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TAGS: <u>EAID ECON PTER PGOV PHUM PREF KWBG IS</u>
SUBJECT: PALESTINIAN AUTHORITY AND HAMAS COMPETE FOR

CONTROL OVER GAZA RECONSTRUCTION

REF: JERUSALEM 189

Classified By: Consul General Jake Walles for reasons 1.4 (b), (d)

11. (S) Summary: Hamas and the Palestinian Authority (PA) are competing for control over relief efforts in Gaza. January 24, Hamas officials announced formation of a committee to oversee Gaza relief operations. Local NGOs in Gaza say Hamas has warned them to coordinate their activities with its "ministries." On January 26, PA Prime Minister Salam Fayyad described to the Consul General a five-point Gaza assistance plan, parts of which have been made public, but the PA lacks funds to fully implement it. International assistance agencies say they must deal with Hamas on a technical level to deliver aid where needed but will also try to satisfy GOI demands that no aid be diverted to Hamas. End

Hamas Moves Quickly to Assert Authority over Assistance

- $\P 2.$ (SBU) According to local media reports, on January 24, Hamas' "Minister of Social Affairs" Ahmed Kurd announced the formation of a "higher national committee," comprising "ministry" representatives, political factions, and civil society organizations, to coordinate and supervise Gaza relief operations. Kurd stressed that this committee has sole authority over relief operations in Gaza.
- (C) According to PA security contacts, Hamas prevented Fatah affiliates from surveying property damage and arrested several Fatah representatives in Gaza who were attempting to assist local residents. The Fatah members were released after signing pledges not to work on humanitarian relief efforts without coordinating with Hamas' "Ministry of Social Affairs.
- (C) A USAID contractor in Gaza reported on January 26 that Hamas has warned local NGOs in writing not to distribute any humanitarian aid without coordinating with Hamas officials. According to the written warnings, Hamas requires local NGOs to inform the "Ministry of Interior" of their activities; requires advance notice of arriving shipments so that "Ministry" personnel can oversee the distribution; mandates "Ministry" approval of engineering schemes for reconstruction projects. Some of the NGOs say they will stop distributing humanitarian aid to avoid clashes with Hamas operatives.

Fayyad's Plan for Gaza Assistance

15. (S) PM Fayyad told the Consul General on January 26 that he has a five-point plan for Gaza: 1) transfer cash assistance through the PLO directly to families affected by hostilities; 2) transfer funds to local municipalities not controlled by Hamas; 3) transfer funds to local NGOs; 4) channel assistance through the UN to families whose homes were destroyed or badly damaged; and 5) subsidize bank loans for reconstruction. Fayyad told the CG that the PA does not have funds to pay for the entire plan and may have to forego PA salary payments next month absent an alternative source of financing. (Note: Fayyad said he wants to transfer USD 50 million, or USD 2,500 each, to 20,000 families whose houses require major repairs or reconstruction. End note.)

16. (C) Parts of the plan have been made public. The PA announced after a January 26 cabinet meeting that it would provide: USD 3.5 million to the families of those killed in the hostilities; USD 1.8 million to health institutions in Gaza; USD 295,000 for local municipalities; and assistance as needed for reconstruction of power, water, and sewage utilities. The announcement stated that the PA would do its utmost to assist families whose houses were destroyed and intensify its cooperation with UN agencies. Sources in the PA Cabinet Secretary's Office said the PA will channel the assistance through institutions under its control, e.g. the Ministry of Health, Palestinian Water Authority, Palestinian Electricity Authority, and a "committee of national work" comprised of Fatah, Palestinian Legislative Council, and PLO members in Gaza.

International Agencies Caught in the Middle

- 17. (C) UN and other international assistance agencies are caught between Hamas' assertion of control over events on the ground, the PA's effort to channel assistance through its institutions, and the GOI's insistence on strict end-use guarantees to prevent diversion of assistance to Hamas. No international agency has reported receiving letters demanding it coordinate with Hamas, and UNRWA officials in Gaza have told ConGenOffs that Hamas appears to be maintaining a hands-off policy for now. They noted, however, that Hamas officials have sometimes shown up uninvited to UN meetings. They stressed that UNRWA must maintain political neutrality in order to avoid Hamas interference and effectively deliver humanitarian assistance in Gaza.
- 18. (C) At a January 23 briefing for donors, UN Emergency Relief Coordinator John Holmes said that the UN will have to work with Hamas at a "technical level" to ensure that recovery and reconstruction materials are delivered where needed. UN Special Coordinator Robert Serry said that the UN had reached an understanding with the GOI on "humanitarian plus" access for goods, including building materials, but that the GOI insists on strict assurances about diversion of reconstruction assistance. Serry noted the need to give some form of assurance to secure GOI cooperation, but said that it might require engaging Hamas officials at a political level to ensure acquiescence. Serry told Tony Blair and local Quartet representatives on January 25 that the UN would provide the GOI end-use assurances, but they could not be "iron-clad."

WALLES